

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEALS OF LINDEN) APPEAL NOS. 07-A-2239
AND LOIS BUTIKOFER from the decisions of the) AND 07-A-2240
Board of Equalization of Fremont County for tax year) FINAL DECISION
2007.) AND ORDER

BARE LOT AND IMPROVED RESIDENTIAL PROPERTY APPEALS

THESE MATTERS came on for hearing October 24, 2007, in St. Anthony, Idaho before Board Member David E. Kinghorn. Board Member Lyle R. Cobbs participated in this decision. Appellants Linden and Lois Butikofer appeared at hearing. Assessor Kathy Thompson, and Appraisers Bruce Hill and Kent Lords appeared for Respondent Fremont County. These appeals are taken from two (2) decisions of the Fremont County Board of Equalization (BOE) denying the protests of valuation for taxing purposes of properties described as Parcel Nos. RP00079010075AA and RP000790100760A.

The issues on appeal concern the market values of a bare lot and an improved adjacent residential property.

The decisions of the Fremont County Board of Equalization are modified in part and affirmed in part.

FINDINGS OF FACT

Parcel No. RP00079010075AA (Lot 75)

The assessed land value is \$31,600, and the improvements' valuation is \$57,230, totaling \$88,830. Appellants request the land value be reduced to \$10,000, and the improvements' value be reduced to \$5,000, totaling \$15,000.

The subject property is a .23 acre lot with a residential improvement located in Last Chance Ranch Subdivision #6 in the Island Park, Idaho area. Last Chance Ranch Subdivision includes additions #1 through #7.

Parcel No. RP000790100760A (Lot 76)

The assessed land value is \$30,000. Appellants request the land value be reduced to \$10,000.

The subject property is an unimproved .25 acre residential parcel adjacent to subject Lot 75 above.

Subsequent to BOE, but prior to the hearing in these appeals, Respondent inspected the residential improvements on Lot 75. Extensive damage to the residence had occurred during the winter so Respondent offered to reduce the value of the improvements to \$29,840. Appellants agreed to the revised value.

Concerning the land values of the subject properties, Appellants argued consideration should be given to various factors affecting subjects' desirability. It was noted neither the county nor the city maintained the access road through the subdivision. Photographs illustrated it was a dirt road with many potholes. Pictures depicting large timber debris piles on lots adjacent to subjects were also submitted. Appellants contended these debris piles created an extreme fire hazard. Appellants also referenced a large abandoned well covered with an old bedspring on an adjacent lot. These combined factors were argued to negatively affect subjects' land values.

Appellants mentioned the sale of a .25 acre lot near subject that sold in June 2007 for \$29,000. Also noted was a .25 acre lot across the road from subjects that had been on the market for \$29,500. It has been on the market for roughly one year, but has not sold. Respondent explained land values in subjects' subdivision were derived from land value tables developed from analysis of sales within additions #1 through #7. Some sales were located in subjects' #6 addition, though were not specifically identified by Respondent. The sales data indicated a base rate of \$30,000 for a .25 acre lot. The land value table was uniformly applied

to all lots in the subdivision; subjects included.

Respondent noted subject Lot 75 was .23 acres and actually only \$27,600 of the \$31,600 assessed value was assigned to the land. The remaining \$4,000 was the value placed on the well.

Lot 76 is a .25 acre lot and was assessed at the base rate of \$30,000.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Prior to hearing the parties agreed to a reduced value of \$29,840 for the improvements on subject Lot 75. We will accept this stipulation and modify this portion of the decision reached by the Fremont County Board of Equalization.

Idaho requires property be assessed for tax purposes at market value, as defined in Idaho Code § 63-201(10):

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Appellants noted several negative features of surrounding properties that were argued to diminish subjects' desirability and value. These included; a fire hazard created by nearby timber debris piles, a dangerous abandoned well, and poor access due to the unmaintained dirt road plagued by potholes.

Appellants referenced a nearby lot that had been on the market for roughly one year without selling. The lot was listed at \$29,500. Listing prices can indicate price ceilings, however, are not considered reliable indicators of market value.

Appellants also referred to the sale of a .25 acre lot from within subjects' subdivision. The lot reportedly sold for \$29,900 in June 2007. Idaho Code § 63-205 requires property be assessed on January 1 of the applicable tax year, or January 1, 2007 in this case. As such, a sale occurring in mid-2007 cannot be used to support subjects' January 1, 2007 value.

Respondent explained a sales study was conducted in an effort to develop a land value schedule for the Last Chance Ranch subdivision. Analysis of the data indicated a base land value rate of \$30,000 for a .25 acre lot. The land value schedule was applied uniformly throughout subjects' subdivision. Subject Lot 76 is .25 acres and was assessed for \$30,000. Lot 75 was slightly smaller (.23 acres) so was assessed at \$27,600, with \$4,000 added for the well, resulting in the total land assessment of \$31,600.

Respondent's land value schedule was derived from five (5) 2005 sales and nine (9) sales from 2006. The sales included both improved and vacant parcels. Details concerning the physical features of the properties or their location within the subdivision were not provided. Troubling to this Board is the widely varied sale prices of the ten (10) .25 acre lots included in the study. Prices ranged between \$6,000 and \$64,510. Respondent stated all the lots were largely similar so no adjustments were warranted due to location in the subdivision or any other potential value factor. Examination of just the .25 acre sales indicates otherwise. The price variance is just too great to conclude there are no distinguishing value features that should be considered and adjusted for. The problem is there are not enough details in the record regarding the characteristics of the sale properties to determine the cause of the widely varied sale prices.

Nor have Appellants provided a basis for overturning the use of the land value schedule. As such, we have no choice but to accept the land assessments as they are.

For the reasons above, the decision of the Fremont County Board of Equalization concerning Parcel No. RP000790100760A (Lot 76) is affirmed.

The decision concerning Parcel No. RP00079010075AA (Lot 75), however, is modified to reflect an improvement value of \$29,840, with no change to the \$31,600 land assessment.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decisions of the Fremont County Board of Equalization concerning the subject parcels be, and the same hereby are modified to reflect the following values:

Parcel No. RP000790100760A	<u>\$30,000</u>	Land
	\$30,000	Total
Parcel No. RP00079010075AA	\$31,600	Land
	<u>\$29,840</u>	Improvements
	\$61,440	Total

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

Mailed April 30, 2008